



FY 2011 SECOND QUARTER BUDGET REPORT

June 14, 2011

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Assistant City Manager



Gold Leadership Award

- League City has earned its Gold Leadership Circle Award from the State Comptroller
- Second year – New seal will so indicate
- Promotes financial transparency
- Scoring: 17 out of 20 points
- Website Requirements: Budget, Financial Reports, Check Register, tax rates, organization of documents and contact information
- For perfect score: Budget in spreadsheet form, description of purpose for check, three years check registers



Comptroller
Leadership
Circle Member



FY 2011 Second Quarter Report

- Complete management report – Finances, operations and capital projects
- Financial trends projected through end of FY 2011 for revenue and expenditures
 - Second quarter year-to-date just one source of information
 - Seasonal variations for revenue and expense considered
 - Five-year expenditure trends
 - Two- to 20-year revenue trends
- Performance information reported by every department – Year to date and FY 2011 Projected
- Capital project status report – Financial and project status

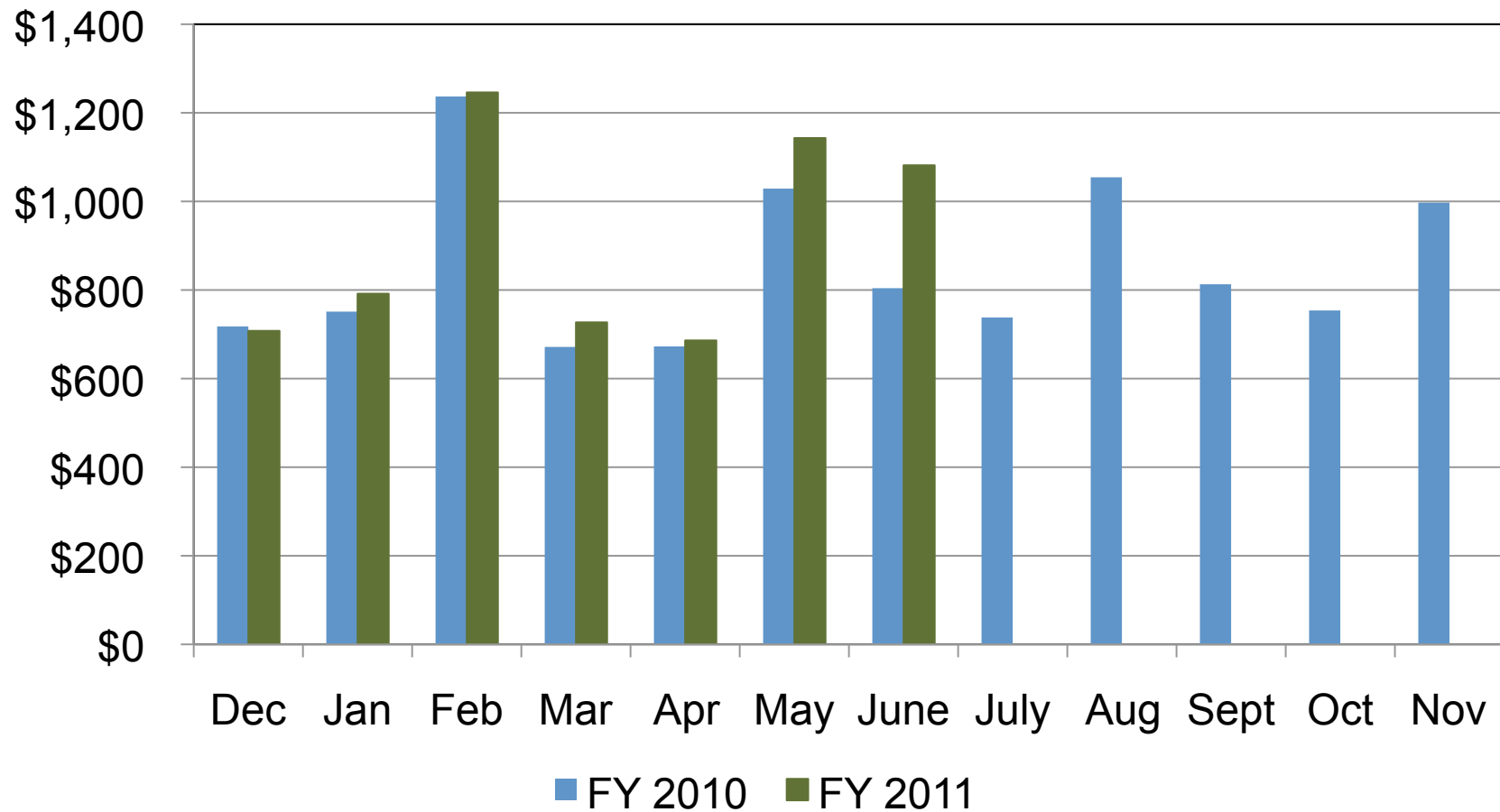
Projected Ending Balances

- **General Fund** – Projected ending balance \$701K or 5 days of working capital more than amended budget (\$19.4M vs \$18.7M)
 - Reasons: More revenue (\$793K) and slightly more expense (\$92K)
- **Utility Fund** – Projected ending balance \$3.3M more than budgeted
 - ***Recommendation: Reserve excess balance for water CIP to address water supply needs***
 - Revenue is \$1.7M ahead of budget with warmest months ahead: assumes 2% growth for balance of year and “normal” weather
 - Debt Service Budget under \$846,000 primarily because first principal payment for FY 2011 bond sale won’t occur until February 2012
- **General Debt Service Fund** – Projected ending balance of \$2.66M vs. \$2.84M budgeted
 - Primary Reason: Lower property tax revenue (\$121K)

Major Revenues

- Property Taxes – 0.2% or \$60,000 below budget, shortfall on debt service side.
- Water and wastewater revenue – \$1.7M over budget based on year-to-date usage only; can be expected to grow if hot, dry weather continues
- Sales Taxes – Projected at \$488K over budget including one-time \$250K payment after State Comptroller's audit of local firm; base increase projected at 3.2% over FY 2010
- Other sources over budget – Other taxes, grant proceeds, charges for service, fines and forfeits
- Other sources under budget – Franchise fees, licenses and permits, investment earnings, hotel occupancy taxes

Monthly Sales Tax (\$Thousands)



Expenditure Notes

- Fuel costs: 50% higher than last year
 - \$245K over budget in General Fund
 - \$190K over budget in Utility Fund
- Personnel: General Fund projected to be \$386K or 1.6% under \$29.8M budget with one-time pay program for city employees included
- City Manager's letter addresses individual departments' projected expenses

Departmental Expenses

- Budget amendment will address expenses offset by grant or donations – Library, EMS, Park Operations
- Non-departmental budget reflects Main Street Grant – Budget Amendment will address this also
- Personnel costs projected to exceed tight budget – Library, City Secretary, Police, Animal Control, Emergency Management
- Cashiers to collect water revenue at multiple locations – Accounting and Municipal Courts
- Other cost trends over budget – Street light electricity bill (Streets budget), City Attorney

Performance Measurement



- Most departments now have measures in place – next step is to sharpen focus
 - Give managers best possible look at department workloads/activities/outcomes
 - Allow comparisons between League City and other communities
 - Support productive communication with Council and constituents
- Emphasize outcomes (what was achieved) vs. outputs/activities (what was done)
- Incorporate ICMA “core measures,” National Citizen Survey data

FY 2011 CIP Programs

Projects Underway (\$183.6 Mil Total)

- Public Safety - 18%
- Streets & Drainage - 23%
- Parks/Facilities/ EcoDev - 14%
- Water - 17%
- Wastewater - 28%

